

## CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

SouthCrest Financial Group, Inc.

Point of Contact:	Doug Hertha	RSSD: (For Bank Holding Companies)	2497202
UST Sequence Number:	1210	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	12,900,000	FDIC Certificate Number: (For Depository Institutions)	17041
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	July 10, 2009	City:	Peachtree City
Date Repaid <sup>1</sup> :	N/A	State:	Georgia

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDICI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDICI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDICI investment was deployed or how many CPP/CDICI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDICI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDICI funds were outstanding).**

**Increase lending or reduce lending less than otherwise would have occurred.**

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☐ To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

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**X Increase reserves for non-performing assets.**

Receipt of capital under CPP program strengthened our capital position which enabled our Company to reduce non-performing assets at a faster rate than otherwise would have been feasible.

**X Reduce borrowings.**

Reduced by \$663,000 in 2011.

**X Increase charge-offs.**

Receipt of capital under CPP program strengthened our balance sheet which helped our effort in reducing our levels of problem assets.

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☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

CPP capital increase our consolidated Tier 1 Capital by approximated 2.3% of total assets.

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**What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?**

Without CPP funds, our efforts at reducing non-performing assets would have been hampered.

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### **What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

Reduce debt as noted above. In 2009 and 2010 we were able to purchase problem assets from subsidiary banks which strengthened their balance sheets. While this was not done in 2011, the actions in 2009 and 2010 continue to benefit the financial position of the affected banks.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

Supported liquidity needs of subsidiary banks.